

VZCZCXRO7009
RR RUEHCHI RUEHCN RUEHDT RUEHHM
DE RUEHJA #0377 0570651
ZNR UUUUU ZZH
R 260651Z FEB 08
FM AMEMBASSY JAKARTA
TO RUEHC/SECSTATE WASHDC 8102
INFO RUEAWJB/DEPT OF JUSTICE WASHDC
RUEATRS/DEPT OF TREASURY WASHDC
RUEHXS/ASSOCIATION OF SOUTHEAST ASIAN NATIONS
RUEHLMC/MILLENNIUM CHALLENGE CORP WASHINGTON DC
RUCPDO/DEPT OF COMMERCE WASHDC
RUEHKO/AMEMBASSY TOKYO 1563
RUEHBJ/AMEMBASSY BEIJING 4747
RUEHBY/AMEMBASSY CANBERRA 2051
RUEHUL/AMEMBASSY SEOUL 4422
RUEAIIA/CIA WASHDC

UNCLAS JAKARTA 000377

SIPDIS

STATE FOR EAP/MTS, EEB/IFD/OIA, INL BOULDIN
L/LEI FOR BUCHHOLZ
DOJ FOR CRIM AAG SWARTZ
DOJ/OIA FOR WARNER/ROBINSON
DOJ/OPDAT FOR ALEXANDRE/LEHMANN/JOHNSON
DOJ/AFMLS FOR SAMUEL
MCC FOR AMBASSADOR DANILOVICH AND MORFORD
DEPT PASS USTR FOR AMBASSADOR SCHWAB
TREASURY FOR IA - BAUKOL
USAID FOR ANE/AA WARD

SENSITIVE
SIPDIS

E.O. 12958: N/A
TAGS: [PGOV](#) [KCOR](#) [ECON](#) [KJUS](#) [ID](#)
SUBJECT: TIME MAGAZINE ENTERS FINAL STAGE OF INDONESIAN LEGAL
BATTLE

REF: A) 07 Jakarta 2525 (TIME Supreme Court decision);
B) 07 Jakarta 2969 (TIME judicial review details)

11. (SBU) SUMMARY: TIME magazine formally appealed on February 21 the \$111 million Supreme Court decision in the Suharto defamation case. This appeal challenges the August 2007 Supreme Court decision on procedural grounds, particularly the Supreme Court's use of civil law instead of press law. With Suharto's death, the civil case continues. Odds of a Supreme Court appeal in favor of TIME remain strong, possibly increased due to public antipathy for the Suharto family. End summary.

TIME formally appeals to Supreme Court

12. (SBU) On February 21, TIME magazine filed for Supreme Court judicial review - its final legal option - in the Suharto defamation case (see reftels). A senior panel of Supreme Court judges will now review this appeal, as opposed to the more junior panel that made the August 2007 decision. TIME submitted a 103 page memorandum to the Supreme Court that documented its grounds for appeal. The review centers on demonstrating procedural "manifest error" in the original August 2007 Supreme Court decision. TIME contends that the civil law protects journalists writing stories deemed to be in the public interest. However, TIME also argues that civil law was applied when press law was more appropriate. TIME has presented new evidence as well to the Supreme Court to support its original reporting on Suharto's ill-gotten gains, according to our sources. This case could continue to drag on for months, if not years, as there is no requirement for the Supreme Court to review the case within a designated timeframe.

13. (SBU) TIME magazine is waging a public relations campaign that frames this case as an assault on press freedom and democratic institutions in Indonesia. Todung Mulya Lubis, head of the TIME defense team and a prominent legal reform advocate, described the TIME-Suharto case as a test case for the overall reform movement in

Indonesia. Beyond press freedom, the TIME case is an investment climate issue, raising serious doubts about rule of law in Indonesia. Business leaders have said that the TIME case contributes to perceptions of legal uncertainty for foreign investors in Indonesia.

Ruling in Favor of TIME Remains Strong

14. (SBU) Suharto's death slightly increases the likelihood of a favorable decision for TIME, according to our sources. In this civil case, the plaintiff's responsibilities are procedurally transferred from Suharto to his heirs. However, Suharto's death does affect the political and public debates surrounding the case. There is considerably less public support for the Suharto family compared to Suharto himself. Due to the high-level nature of the case and TIME's public relations strategy, "the court of public opinion" and pressure from senior Indonesian political figures could shape the outcome.

HUME